

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: June 20, 2023
Item No.: 7.c

Department Approval

Janice Gundlach

City Manager Approval

Sam J. Truog

Item Description: Consider a request by Par365 for sewer access charge credits

BACKGROUND

City staff has been working with a small business named Par365 for approximately one year. Par365 would be a new business locating at 2655 Patton Road, offering an indoor golf lounge (golf simulation) and event center with food and beverage services. City staff discussions with the owners, Thomas and Mercedes Jackson have focused on assistance with marketing via the Choose Roseville campaign and the City's small business loan program administered by Open to Business. As Par365 has gotten closer to requesting a building permit, additional assistance in the form of sewer access charge (SAC) credits has been discussed. SAC's are determined by the Metropolitan Council in units, paid for by the City who collects the fee from the business and passes it through to the Metropolitan Council. Attachment B outlines the Metropolitan Council determination that Par365 will be assessed 7 SAC units. Each SAC currently costs \$2,485, requiring Par365 to pay \$17,395 at the time of building permit. Par365 submitted a letter (Attachment A) requesting assistance with SAC fees, noting any assistance would help their small business reallocate funds to urgent business needs leading to their September opening, including the purchase of equipment and inventory.

In 2011 the Metropolitan Council provided the City with approximately 500 community-wide SAC credits. In an effort to preserve those credits so they could be made available for use at the discretion of the City, those credits were monetized for use at a later date. In recent years, SAC credits have only been offered as a component of formal requests for public finance assistance through the Roseville Economic Development Authority. Three projects were offered SAC credits through this process, including McGough's new headquarters, Common Bond's Owasso Gardens apartments, and Edison apartments (phase II).

Beyond offering SAC credits in conjunction with formal applications for public finance assistance, staff finds there to be value in offering SAC credits to small businesses. Because Par365's request is valued at less than \$25,000, granting such a request would not be considered a business subsidy and would not have to be reviewed and approved by the Roseville Economic Development Authority. In an effort to be more thoughtful regarding administering SAC credits outside a formal request for public finance assistance, staff has prepared a draft SAC Policy (Attachment C) for discussion at a future City Council meeting. However, Par365 is ready for a building permit now and may suffer financially if their request is delayed while the City discusses adoption of a formal policy. Staff is prepared to bring a draft policy discussion forward to the City Council's July 17th work session, but is requesting Par365's request be considered at this time so as not to delay their building permit and anticipated opening timeframe of September. Staff would suggest Par365 be offered five (5) SAC credits, which is what is outlined in the draft policy. A maximum of five credits is what staff discovered to be

36 common when reviewing SAC policies adopted by other communities (including Brooklyn Park and
37 Maple Grove).

38 **POLICY OBJECTIVE**

39 The City does not currently have a formal policy surrounding the use of SAC credits. A draft policy
40 for discussion at a future City Council work session is provided as Attachment C.

41 **BUDGET IMPLICATIONS**

42 The Community Development Department manages a SAC account, which includes monetized
43 community-wide SAC credits and retainage revenue the Metropolitan Council provides on a monthly
44 basis for paying SAC fees in a timely manner. The cash balance in this account, as of April 30, 2023,
45 is \$1,326,285. The current Metropolitan Council SAC fee is \$2,485 per unit, suggesting the City's
46 SAC account could currently offer approximately 534 SAC credits.

47 **RACIAL EQUITY IMPACT SUMMARY**

48 Par365 is a small, BIPOC-owned business and has been provided services through the Choose
49 Roseville campaign. Providing SAC credits to this business would align with the purpose and intent
50 of other City programs that aim to assist small businesses in the community, including emphasis on
51 minority ownership. Racial equity impacts will be further examined and evaluated as a component of
52 a broader SAC Policy, which will be discussed by the City Council at a future meeting.

53 **STAFF RECOMMENDATION**

54 Recommend approval of five (5) SAC credits for Par365.

55 **REQUESTED COUNCIL ACTION**

56 By motion, authorize staff to administer five (5) SAC credits to Par365.

Prepared by: Janice Gundlach, Community Development Director

Attachments: A: Par365 request
B: Par365 SAC determination
B: Draft City SAC Policy



June 5, 2023

City of Roseville

Re: SAC Fee Waiver

To Whom it May Concern:

We would like to formally request assistance from the City of Roseville with fees required to be paid for Sewer Availability Charges. We are a new small business in the process of building out a new golf lounge and event center in Roseville. A waiver or other reduction of fees would allow us to reallocate those funds to urgent business needs leading up to our September opening, including the purchase of equipment and inventory needed prior to opening. We have signed a 10-year lease, and we are certain that this initial investment by the city will more than pay off as we work to become a regional magnet to bring visitors (and accompanying revenue) to this community.

We would be happy to discuss and answer any questions you have about our business plan and commitment to the Roseville community.

Sincerely,

A handwritten signature in black ink, appearing to read "Mercedes M. Jackson", written over a horizontal line.

By: Mercedes M. Jackson

Title: Chief Executive Officer, PAR365

Direct Dial: 312.278.3387

Email: par365@gmail.com

PAR365, LLC
2655 Patton Road
Roseville, MN 55113

Date of Determination: 05/22/23

Determination Expiration: 05/22/25

Greetings!

Please see the determination below.

Project Name: Par 365
Project Address: 2501 Patton Road
Suite #/Campus: N/A
City Name: Roseville
Applicant: Peter Portilla, Accessible Creative Services, Thomas Jackson, Par 365, LLC

Special Notes: It is the Council's understanding there will be no outdoor seating. If at any time outdoor seating is added, a determination is required, and additional SAC may be due.

Charge Calculation:

Food & Drink 25-50% of GSF: 4,766 sq. ft. @ 600 sq. ft. / SAC = 7.94
Driving Range / Golf Dome: 10 driving stations @ 6 driving stations / SAC = 1.67

Total Charge: 9.61**Credit Calculation:**

Commers Klodt (SAC 01/86) 2501-69 Patton Road

Office: 7569 sq. ft. x 58% @ 2400 sq. ft. / SAC = 1.83
Warehouse: 7569 sq. ft. x 42% @ 7000 sq. ft. / SAC = 0.45

Total Credit: 2.28**Net SAC:** 7.33 = **7 SAC Due**

The business information was provided to MCES by the applicant at this time. It is the City's responsibility to substantiate the business use and size at the time of the final inspection. If there is a change in use or size, a redetermination will need to be made. If you have any questions email me at: sara.running@metc.state.mn.us.

Thank you,

Sara Running

SAC Technician

Please visit our SAC website by going to: <http://www.metrocouncil.org/SACprogram>

GENERAL BUILDING PLAN NOTES:

- GENERAL CONTRACTOR TO COORDINATE THIS PLAN WITH MECHANICAL, ELECTRICAL AND PLUMBING SUBCONTRACTORS AS TO LOCATIONS FOR EQUIPMENT, FIXTURES, METERS, DUCTWORK ETC. NOTIFY DESIGNER IMMEDIATELY OF ANY CONFLICTS BETWEEN ARCHITECTURAL DRAWINGS AND MEP SUBCONTRACTORS.
- ALL INTERIOR WALLS ARE UNRATED. TENANT PARTITIONS SHOULD MAINTAIN 1 HOUR WALLS AS EXISTING. VERIFY WITH LANDLORD/FACILITIES MANAGER ON ANY PLUMBING/HVAC LOCATIONS WITHIN SHARED WALLS.
- DIMENSIONS AT EXTERIOR WALLS ARE TO THE INSIDE FACE OF EXISTING GYP BD UNLESS NOTED OTHERWISE.
- DIMENSIONS AT INTERIOR PARTITIONS AND CORRIDOR WALLS ARE TO CENTERLINE OF FRAMING UNLESS NOTED OTHERWISE. WHERE CLEAR DIMENSIONS ARE NOTED, THESE MUST BE MAINTAINED.
- N/A
- DIMENSIONS FOR WINDOWS, DOORS, EQUIPMENT AND FEATURES ARE TO CENTERLINES. VERIFY WINDOW ROUGH OPENINGS WITH MANUFACTURER.
- IF ANY DIMENSION IS NOT CLEAR, NOT GIVEN, OR PRESENTS A CONFLICT, NOTIFY DESIGNER IMMEDIATELY.
- N/A
- VERIFY BEAM, JOIST, HEADER LOCATIONS AND SIZING WITH ENGINEER WHERE NECESSARY.
- ALL OPENINGS CUT, OPENINGS MADE OR EQUIPMENT INSTALLED IN FIRE RATED WALLS, PARTITIONS, FLOORS OR CEILINGS SHALL BE RESTORED, SEALED, FIRE STOPPED OR OTHERWISE CONSTRUCTED TO MAINTAIN THE INTEGRITY OF THE FIRE RATING TO THE FULL SATISFACTION OF THE DESIGNER, ENGINEER AND BUILDING OFFICIAL. THE GENERAL CONTRACTOR SHALL COORDINATE AND BE RESPONSIBLE FOR THIS WORK.
- ALL SIDEWALL PENETRATIONS AND VENTING FOR BATH AND KITCHEN EXHAUST SHALL BE INSULATED TO PREVENT CONDENSATION. ALIGN ALL VENTS HORIZONTALLY AND VERTICALLY.
- N/A
- COORDINATE GYP BD CONTROL JOINTS WITH EDGE OF OPENING LOCATIONS WHILE MEETING MAXIMUMS.
- SEAL ANY DECK PENETRATIONS OR THRU WALL PENETRATIONS WITH APPROPRIATE FIRE CAULKING AND SEALANT AS REQUIRED.
- WALL INSULATION NOT ASSUMED - OVERALL SPACE SOUND CONTROL SHOULD BE MITIGATED WITH 2X4 PAINTED BLACK ACOUSTICAL TILES FASTENED TO UNDERSIDE OF DECK TO HELP REDUCE REVERBERATION IN BETWEEN THE BAR JOISTS ONLY OVER THE MAIN SHARED AREA WITH NO MORE THAN 1'-0" GAP BETWEEN PANELS. HIGHLIGHTED AREA IN PLAN FOR REFERENCE - PRICE DROPPED CEILING AT SIMULATORS VS. SIMULATOR MFR PROVIDED ACOUSTICAL CEILINGS.
- ALL EXPOSED PIPES, VENTS AND CONDUIT PENETRATING WALLS, FLOORS OR CEILINGS SHALL HAVE FINISHED TRIM RINGS (ESCUTCHEONS).
- WHERE ACCESS PANELS ARE REQUIRED FOR EQUIPMENT, UTILITIES OR DEVICES, THOSE PANELS SHALL BE INSTALLED WHETHER OR NOT THEY ARE SPECIFICALLY SHOWN ON THE DRAWINGS. WHEN INSTALLED IN A FIRE RATED ASSEMBLY, ACCESS PANEL MUST BE FIRE RATED TO MATCH RATING OF THAT ASSEMBLY. VERIFY ALL LOCATIONS WITH DESIGNER BEFORE INSTALLING.
- PROVIDE BLOCKING IN WALLS FOR MOUNTING EQUIPMENT, RAILS, STOPS, CASEWORK AND ALL OTHER SPECIALTIES AND ACCESSORIES. CONSULT WITH OWNER MOUNTING HEIGHTS FOR TVs UNLESS OTHERWISE NOTED.
- FINISH FLOOR ELEVATION CHANGE AT DOORS OR MATERIAL TRANSITIONS SHALL NOT EXCEED 1/2" UNLESS NOTED OTHERWISE.
- EXTERIOR LANDINGS, STOOPS AND PORCHES SHALL BE LEVEL ACROSS DOORWAYS AND SHALL SLOPE AWAY FROM BUILDING 1/4" PER FOOT.
- COORDINATE ALL DOOR HEIGHTS TO MATCH U.N.O. -OH DOOR TO BE OF OF FLOOR, SUPPORT RAILS FROM JOISTS/EXTERIOR WALL.

NOT RATED

2 X 8 WD STUD - 8 1/2"

2 X 6 WD STUD - 6 3/4"

2 X 4 WD STUD - 4 3/4"

(1) LAYER 5/8" TYPE 'X' GYP BD EACH SIDE

WOOD STUDS @ 16" O.C. MAX

(1) ADDITIONAL LAYER 5/8" TYPE 'X' GYP BD @ TUB AND SHOWER

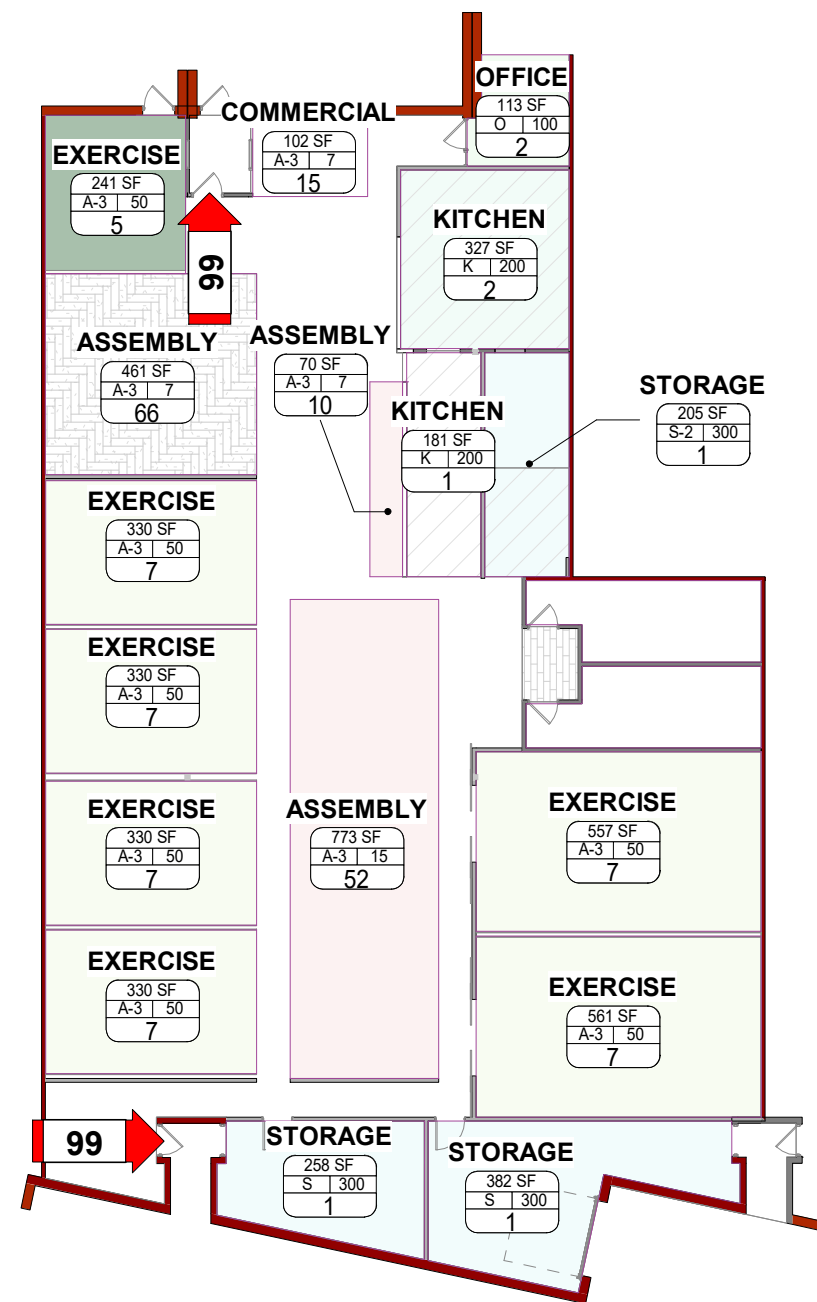
BATT INSULATION AT PLUMBING RISERS AND ALL BEDROOM, BATHROOM AND LAUNDRY ROOM WALLS

PARTITION (NON RATED)

1 1/2" = 1'-0"

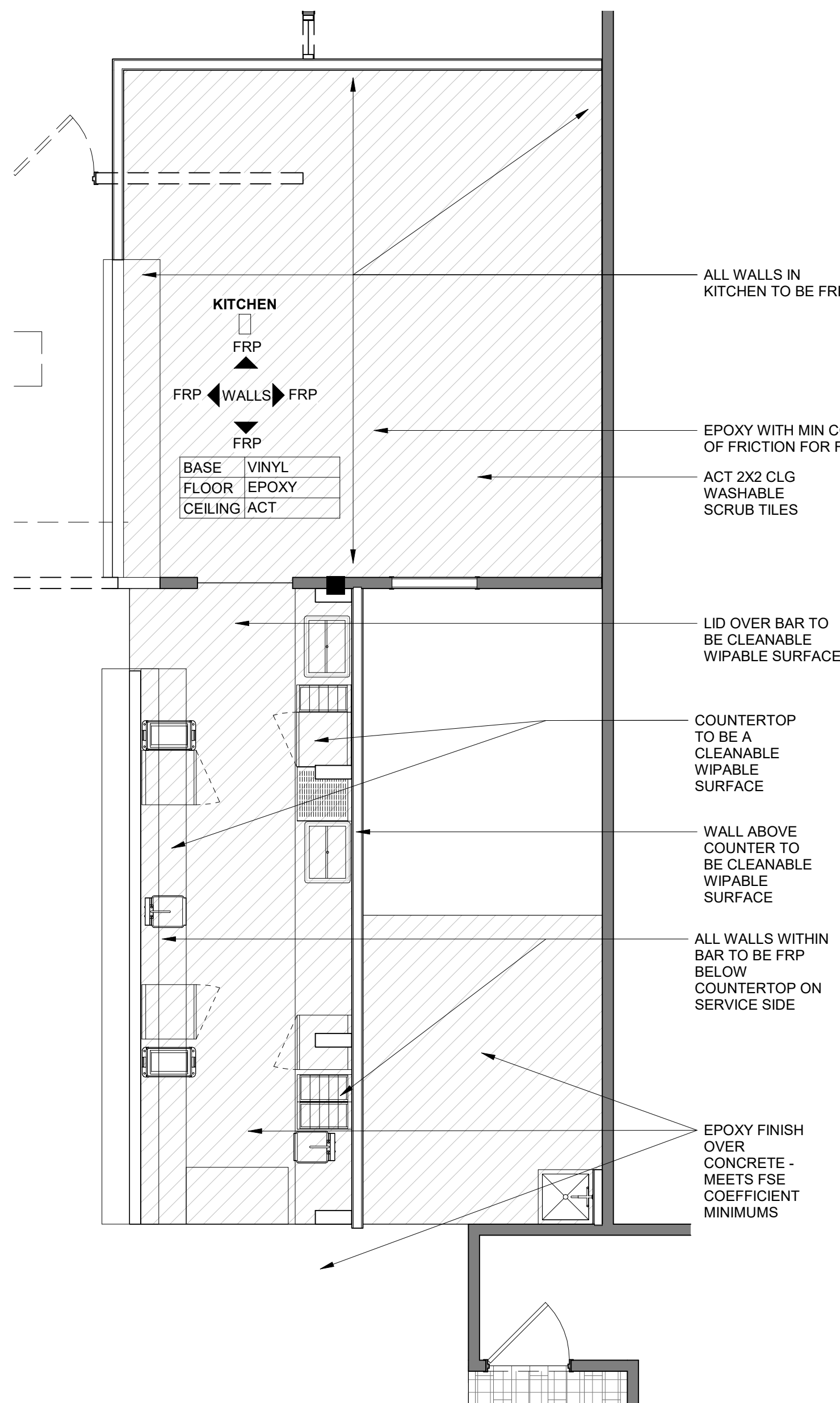
OCCUPANCY LOAD				
NAME	OCCUPANCY TYPE	AREA	LOAD FACTOR	OCCUPANT LOAD
LEVEL 1				
ASSEMBLY	A-3	773 SF	15	52
ASSEMBLY	A-3	461 SF	7	66
ASSEMBLY	A-3	70 SF	7	10
COMMERCIAL	A-3	102 SF	7	15
EXERCISE	A-3	241 SF	50	5
EXERCISE	A-3	330 SF	50	7
EXERCISE	A-3	330 SF	50	7
EXERCISE	A-3	330 SF	50	7
EXERCISE	A-3	561 SF	50	7
EXERCISE	A-3	557 SF	50	7
KITCHEN	K	327 SF	200	2
KITCHEN	K	181 SF	200	1
OFFICE	O	113 SF	100	2
STORAGE	S-2	205 SF	300	1
STORAGE	S	382 SF	300	1
STORAGE	S	258 SF	300	1
				198

OCCUPANCY EXIT...		
Name	Exit Requirements	
	Room Exits	Minimum Exit Width
LEVEL 1		
ASSEMBLY		0' - 7 13/16"
ASSEMBLY		0' - 9 29/32"
ASSEMBLY		0' - 1 1/2"
COMMERCIAL		0' - 2 1/4"
EXERCISE		0' - 0 3/4"
EXERCISE		0' - 1 1/16"
EXERCISE		0' - 1 1/16"
EXERCISE		0' - 1 1/16"
EXERCISE		0' - 1 1/16"
EXERCISE		0' - 1 1/16"
KITCHEN		0' - 0 5/16"
KITCHEN		0' - 0 5/32"
OFFICE		0' - 0 5/16"
STORAGE		0' - 0 5/32"
STORAGE		0' - 0 5/32"
TOTAL 29 27/32"		



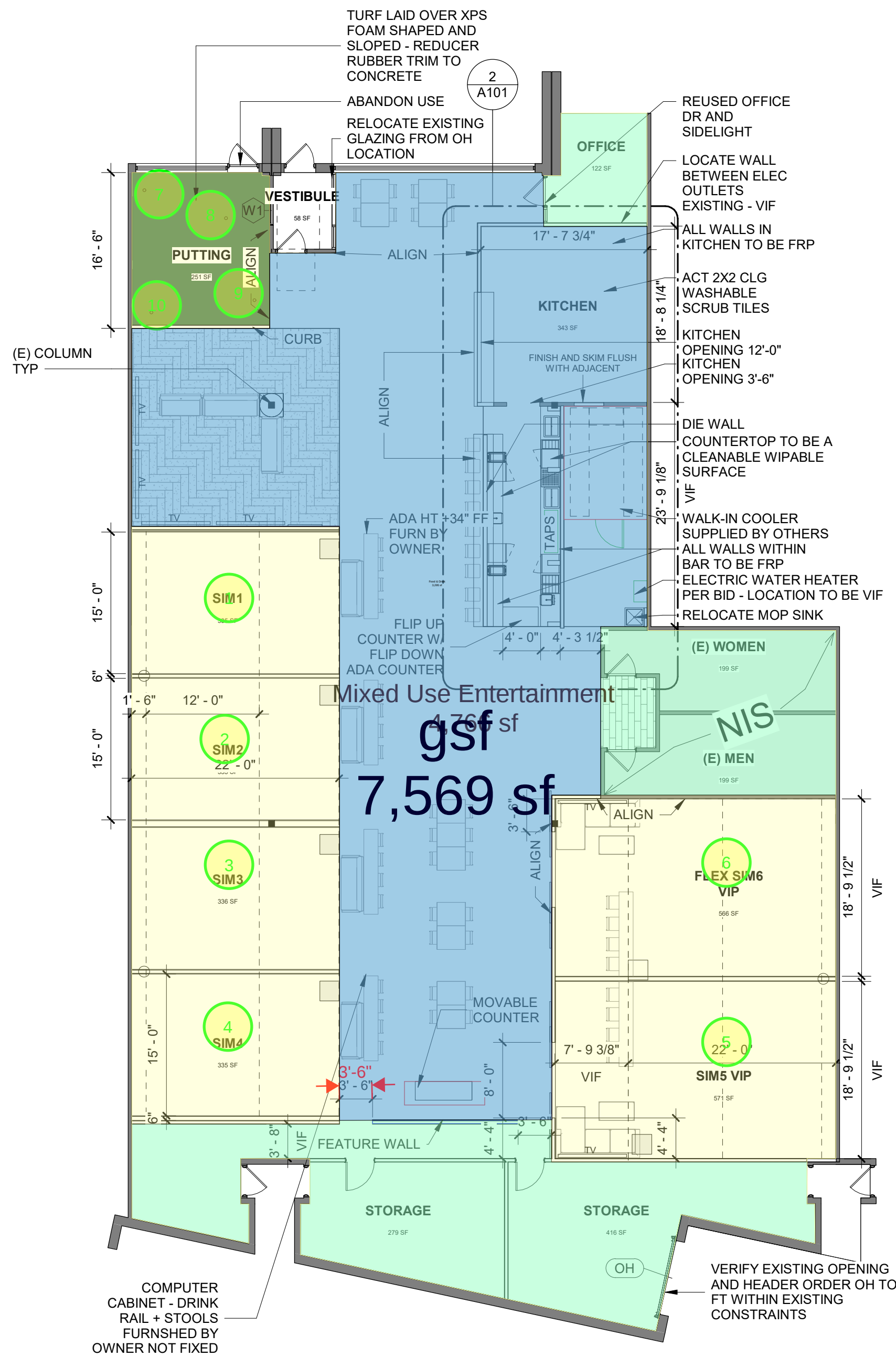
3 CODE PLAN - OCCUPANCY AND EXITING

A101 1" = 20'-0"



2 LEVEL ONE FOOD PREP FINISH FLOORPLAN

A101 1/4" = 1'-0"



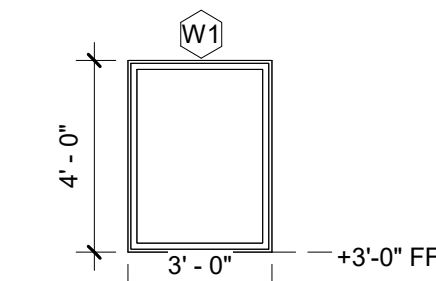
- *ALL FURNITURE BY OWNER UNO
- *TV LOCATIONS SHOWN FOR GC TO PROVIDE BLOCKING
- *PAINT ALL ROOF DECK, BAR JOISTS AND EXISTING DUCTS BLACK
- *ALL PARTITIONS, CEILINGS AND SIM EQUIPMENT PROVIDED AND INSTALLED BY MFR.

1 LEVEL ONE FLOORPLAN

A101 3/32" = 1'-0"

WINDOW LEGEND

1/4" = 1'-0"



SEWER AVAILABILITY CHARGE (SAC) POLICY

Introduction: The City of Roseville is responsible for collecting one-time fees when a business connects to the regional wastewater (sewer) system for the first time or when a business grows and is anticipated to generate a greater demand on the system than originally calculated. These fees are set and determined by the Metropolitan Council and are charged in units.

Objectives: Periodically, community-wide credits become available when a business closes, downsizes, or otherwise decreases their demand on the regional wastewater system. The City of Roseville will utilize these credits in one of the following two ways:

- 1) Credits valued at, or more than \$25,000: As a component of public finance assistance via application and compliance with the City of Roseville and Roseville Economic Development Authority Public Financing Criteria and Business Subsidy Policy.
- 2) Credits valued less than \$25,000: Via a fee waiver to aid in the recruitment and retention of certain small businesses within the City.

Requests for SAC credits of a value of \$25,000 or more shall be subject to approval by the Roseville Economic Development Authority consistent with the Public Financing Criteria and Business Subsidy Policy.

Requests for SAC credits of a value less than \$25,000 shall be provided administratively based upon the criteria outlined in this Policy.

Purpose Statement: The City of Roseville intends to collect and utilize community-wide SAC credits for the recruitment and retention of small businesses within the City, including, but not limited to retail (service & goods), food and beverage, and entertainment businesses. Eligible businesses must be either opening a new business or expanding an existing business which requires payment of additional SAC units to the Metropolitan Council.

Application, Criteria & Usage of Credits: Sewer Access Charge (SAC) credits may be made available for request for businesses meeting the following criteria:

- After receiving a SAC determination from Metropolitan Council, submit a statement of financial hardship to the Community Development Department outlining the reason for requesting SAC credits and how the request meets the Purpose Statement and Criteria outlined in the City's SAC Policy.
- A maximum of five (5) SAC credits per business is available
- Businesses requesting credits must not employ more than 5 FTE (including owner)
- Businesses ineligible for SAC credits include:
 - Businesses that do not have a physical address (bricks & mortar) within the City of Roseville
 - Non-profit organizations
 - Businesses with annual gross revenues greater than \$1 million
 - National chain businesses
 - Businesses that derive income from passive investments without operational ties to operational businesses

- Businesses that engage in sexually explicit goods/service
- Businesses that engage in gambling enterprises
- Businesses that engage in activities prohibited by law
- Businesses that earn revenue from pyramid schemes, lending services and/or day trading/short term investments
- Businesses that are not in compliance with all state and local laws and regulations pertaining to licensing, building codes, zoning and environmental requirements.
- Businesses that have delinquent taxes, bills, fines or other charges due to the City.

Beyond the criteria listed in this policy, if the Community Development Director, or their designee, determines the type of business does not clearly comply with the Purpose Statement or Criteria outlined in the City's SAC Policy, such request will be brought forward to the City Council for a determination of eligibility.

Administration of Credits: Credits will be provided on a first-come, first-served basis. All SAC credits will be applied at the time of building permit issuance. Requests for reimbursement of previously paid-for SAC units will not be accepted.

Policy Effectiveness: Policy is effective at the discretion of the Roseville City Council and if/until the City's SAC account is depleted to the point of 100 remaining SAC units, whichever occurs first.